## COMPUTATION OF PENALTY DUE BASED ON UNDERPAYMENT OF COLORADO INDIVIDUAL ESTIMATED TAX

Taxp	payer's Name	Social Security Number						
<b>EXCEPTION NO. 1.</b> If at least two-thirds of your gross 2000 income is from farming and you will file your 2000 return and pay the full amount of tax due on or before March 1, 2001, you are not subject to the estimated tax penalty.								
EXCEPTION NO. 2.								
1. Enter your 1999 tax liability (including alternative minimum tax) after reduction for all credits other than withholding tax, estimated tax payments and credits, and the state sales tax refund\$  2. (a) Statutory exemption								
EXCEPTION NO. 3.								
5.	4. (a) Enter your 2000 tax liability (including alternative minimum tax) after reduction for all credits other than withholding tax, estimated tax payments and credits, and the state sales tax refund.  (b) Enter 70% of the amount on line 4(a) \$  5. Enter amount from line 2(e) \$  6. Line 4(b) minus line 5. If 5 is larger, enter 0 and you are not subject to the penalty \$  \$							
CC	COMPUTATION OF PENALTY  PAYMENT DUE DATES							
7.	Divide the amount on line 4(b) by the number of payments required for the year. Enter the	APRIL 17, 2000	JUNE 15, 2000	SEPT 15,	2000	JAN 16, 2001		
8.	result in the appropriate columns Amounts paid on estimated tax, tax withheld, state sales tax refund and prorated	\$	\$	\$		\$		
	Statutory exemption	\$ 	\$	\$		\$		
10.	Total lines 8 and 9	\$	\$	\$		\$		
	Underpayment (line 7 minus line 10) or <overpayment> (line 10 minus line 7)</overpayment>	\$	\$	\$		\$ ////////////////////////////////////		
	Date of payment or December 31, 2000, whichever is earlier							
14.	payment to date on line 12	\$	\$	\$				
16.	whichever is earlier							
	Underpayment on line 11 times 13% times number of days on line 16 divided by 365 Total penalty. Add all amounts on lines 14	\$	\$	\$		\$		
10.	and 17. Include this amount as estimated tax penalty on line 53 Form 104							

## **INSTRUCTIONS FOR FORM 204**

Generally you are subject to an estimated tax penalty if your 2000 tax liability after reduction for all credits other than estimated tax, withholding tax credits, and the state sales tax refund exceeds your 2000 withholding tax credits and sales tax refund by \$1000 or more. However, there are several exceptions to this rule.

You will not be subject to the penalty if at least two-thirds of your gross income for 2000 was from farming and your income tax return is filed and your balance of tax due is paid on or before March 1, 2001.

You will not be subject to the penalty if the total of your estimated tax payments and credits, your tax withheld for 2000, your state sales tax refund and your statutory exemption equals or exceeds your 1999 tax liability after reduction by all credits other than estimated tax, withholding tax, and the state sales tax refund.

You will not be subject to the penalty if the total of your estimated tax payments and credits, your tax withheld for 2000, your state sales tax refund and your statutory exemption equals or exceeds 70% of your 2000 tax liability after reduction by all credits other than estimated tax, withholding tax, and the state sales tax refund.

If none of these exceptions apply to you, compute your penalty on lines 7 through 18 of Form 204. Complete each column before going on to the next column. The amount to be entered on line 9 is the net overpayment from the preceding period. On line 16, if payment was made prior to January 1, 2001, enter "0."

If a due date falls on a Saturday, Sunday or legal holiday, payment on the next business day qualifies as having been made on the due date.

Example: Taxpayer's net tax liability for 2000 is \$10,000. He had no withholding, did not qualify for the state sales tax refund and none of the exceptions apply. He paid \$4,000 on June 12, 2000, and made no additional estimated tax payments.

A	PRIL 17	JUNE 15	SEPT 15	JAN 16
Line 7	\$1,750	\$1,750	\$1,750	\$1,750
Line 8	\$250	* \$4,250	\$250	\$250
Line 9	0	0	\$1,000	** 0
Line 10	\$250	\$4,250	\$1,250	\$250
Line 11	\$1,500	\$(2,500)	\$500	\$1,500
Line 12	6/12/00	6/12/00	12/31/00	12/31/00
Line 13	56	_	107	_
Line 14	\$25.25	_	\$16.08	_
Line 15	6/12/00	6/12/00	4/16/01	4/16/01
Line 16	0	0	106	91
Line 17	0	0	\$18.88	\$48.62
Line 18				\$108.83

<sup>\*</sup> Prorated exemption,  $$1,000 \div 4 = $250$ .

**	June 12 Payment		\$4000
	April exemption		250
	June exemption		<u>250</u>
			\$4500
	April installment	\$1750	
	June installment	<u>1750</u>	<u>3500</u>
	Overpayment to Sept	\$1000	